
EPRESCRIBING PERSPECTIVES

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1. What Will HHS Management Changes Mean to ePrescribing?

by Tony Schueth, Editor-in-Chief

Since the last issue of *ePrescribing Perspectives*, three changes have taken place within the upper levels of the US Department of Health and Human Services (HHS). Because we believe the federal government is a major driver of health information technology (HIT) and HHS is the vehicle for carrying out its policies and procedures, what does this mean for ePrescribing?

On September 26, HHS officials named Leslie Norwalk acting administrator of the Centers for Medicare and Medicaid Services (CMS). She replaces Mark D. McClellan, MD, PhD, who announced his resignation on September 5. Ms. Norwalk had been a deputy to Dr. McClellan and "Ms. Inside" there. She understands the issues, so there will be virtually no learning curve. She is also an attorney and her involvement to date has been relative to such legal issues as federal preemption and the relaxation of the Stark laws and anti-kickback safe harbor. Well respected by CMS employees and outside stakeholders, we see her appointment as good for ePrescribing and HIT.

Formerly commissioner of the Food and Drug Administration, Dr. McClellan led CMS during the period in which the Medicare Drug Improvement and Modernization Act of 2003 (MMA) was signed into law and implemented. He was responsible for such ePrescribing-related matters as the National Committee on Vital and Health Statistics (NCVHS) hearings on ePrescribing, ePrescribing rules and regulations and the 2006 pilots. We regard Dr. McClellan as a champion of ePrescribing and are sad to see him leave.

On September 20, HHS officials announced that Robert Kolodner, MD, had been named acting national coordinator for health information technology, replacing David Brailer, MD, PhD, who resigned in May. Dr. Kolodner comes to HHS from the Veteran's Administration (VA), where he administered the VistA health IT system and was active with its overall electronic health records system. The VA has a robust ePrescribing solution. Its challenge, however, is that it doesn't integrate with the world outside the VA, including the Department of Defense.

What we hear and observe is that HHS is highly focused on the broader objective of interoperable electronic health records. To the degree that ePrescribing fits into this broader objective, it will continue to get support. We're in agreement with this view, so that's not a concern. It's just a matter of priorities.

We believe the watershed event will be the ePrescribing pilots and their findings will direct prioritization. As the project lead for one pilot, a peer of two, and having tangential involvement in two others, we have insight that others don't.

The pilots are supposed to test some ePrescribing standards that have not been named, as well as interoperability with others. They will also validate smaller sample-sized studies that were largely ignored in peer review journals.

At the end of the third quarter, we are aware of only a few pieces of the preliminary findings, so it's difficult for us to predict what they will be. However, we believe in the value of ePrescribing; therefore, we are confident the findings will give Ms. Norwalk and Dr. Kolodner the ammunition to make ePrescribing a high priority.

New! POCP White Paper - *Pharma: Making a Difference in Managing Chronic Disease in the New Era of Electronic Health Records*

Chronic disease management is the new watchword in US health care. Nearly all industry stakeholders recognize the value of care collaboration as a way to cut soaring costs and improve quality of care across all areas. Currently, pharmaceutical

companies are on the periphery while other players, such as managed care organizations, health care providers, and health IT companies, are taking the lead in shaping the future of care collaboration as an electronic health records infrastructure emerges in the US.

This free white paper examines issues involved in care collaboration, identifies those trends already taking shape and outlines the added value for pharmaceutical company participation in a collaborative care environment based on electronic health records. The pharmaceutical company that adopts and embraces the collaborative care model can become a critical contributor to improving the quality of life for individuals with chronic disease; significant improvements in market penetration, compliance and retention will also be realized. For the complete report, go to: www.pocp.com/documents/whitepaper.htm

2. There's Much to Consider Relative to State Board of Pharmacy Rules and Regs

On September 20, *Health Data Management* reported that the Georgia Board of Pharmacy (BOP) adopted new rules permitting ePrescribing, becoming the 47th state to legalize it. This is consistent with SureScripts Web site (www.surescripts.com). Conversely, in 2002, the National Association of Boards of Pharmacy (NABP) testified to the National Committee on Vital and Health Statistics (NCVHS) that 49 states permit electronic prescribing. So, what does all of this mean?

Well, from SureScripts' perspective, Georgia is "good to go." Because SureScripts is the leading switch vendor for retail pharmacy, a key stakeholder in ePrescribing, this is meaningful. As we've written before, if SureScripts isn't pleased with the rules and regulations, they probably aren't favorable to ePrescribing.

This is an important event because certain influential Georgia pharmacy nabobs have fought against ePrescribing, using state BOP rules and regulations there to slow its adoption. Getting the Georgia BOP to write rules and regulations favorable to ePrescribing is like convincing Michael Moore to vote for a Republican candidate or Rush Limbaugh to vote for a Democrat. It's a genuine milestone. Kudos to those who played a key role in educating the BOP and combating those opposed to ePrescribing.

The message that Georgia has now legalized ePrescribing - along with nearly all of the other states - is a positive one that we vigorously support. But, depending on what stakeholder group you represent, that may or may not be the end of it. As the fact that *Health Data Management*, SureScripts and NABP don't exactly agree on their numbers indicate, the "devil is in the details" and rules, regulations and laws are subject to interpretation. In fact, in some states where formal ePrescribing rules and regulations have not yet been adopted, it is possible-with the right advocate and the proper approach- to garner verbal approval to prescribe electronically.

If you're a pharmacy that receives prescriptions electronically or transmits refill requests, we would suggest that SureScripts is your best source of ePrescribing do's and don'ts. If you're a health plan, manufacturer, health information exchange or integrated delivery network, you can feel good about the positive momentum undertaken by both the switching companies and the association representing all state boards of pharmacy. If you're an electronic health record or ePrescribing software company, you definitely need the most finite level of detail when it comes to printing, faxing and electronically transmitting prescriptions.

What are different states' rules and regulations relative to printing a prescription created on an ePrescribing device or PC? If the prescription is to be printed, are there special security paper requirements and what format and font must be used? What wording, such as "brand name medically necessary" vs. "medically necessary" is stipulated by state Medicaid agencies? Is encryption required? What about a digital signature? In what states do you just have to alert the BOP that you're rolling out, and in which states do you need to meet with them and get their approval? Where there's a state BOP that can be difficult, what are their "hot buttons"?

Some companies get legal representation to help answer these questions. That can be expensive, there are periodic complaints that the attorneys don't always see the bigger picture and law firms aren't always familiar with individuals that sit on the state BOPs. Others retain consulting firms like ours with pharmacists and PharmDs who can read, interpret and analyze the regulations and assist in securing Board approval for their systems.

3. MMA ePrescribing Pilots Are Seminal to Electronic Prior Authorization

By Tony Schueth, Editor-in-Chief

(Editor's Note: This is the last in a three-part series on electronic prior authorization.)

The Medicare Drug Improvement and Modernization Act of 2003 (MMA) was a seminal event in many areas of ePrescribing, not the least of which is electronic prior authorization (ePA). In the April 30 issue of *ePrescribing Perspectives*, we wrote about the value of ePA to physicians, the fact that the MMA encourages an emphasis on ePA and the standards development organization task group

formed to examine the myriad such standards. In the June 26 issue, we described efforts to modify and create relevant standards to support the pilots (<http://www.pocp.com/eRx.aspx>).

We are about to enter the fourth quarter of the pilots, which will end on December 31. Of the five named MMA ePrescribing pilots, at least two are testing ePA.

The New Jersey ePrescribing Action Coalition (NJEPAC) is led by the RAND Corporation and Point-of-Care Partners and involves ePA stakeholders Horizon Blue Cross Blue Shield, Caremark, Allscripts, iScribe and RxHub. Allscripts and iScribe have built ePA into their system. ePA requests and responses are being transmitted through RxHub to Caremark's prior authorization staff, who manage ePA on behalf of Horizon. The criteria are developed or approved by Horizon.

Achieve is a long-term care software solution. In an August 1 press release, Achieve announced that it had secured a \$240,000 supplement to its initial \$1 million grant to study prior authorization standards for long-term care. It did so with the help of the American Society of Consultant Pharmacists Foundation. Achieve is working with data aggregator MediMedia and using RxHub as an intermediary.

It is too early to report findings. Within NJEPAC, iScribe and Allscripts have had little trouble recruiting its users for the pilot, and all stakeholders are excited about the possibilities. The Achieve end-users and stakeholders are equally optimistic. NJEPAC has a detailed measurement plan that will gather the data necessary to determine the value to multiple stakeholders.

Both pilots are using all three of the relevant transaction standards highlighted in the June 26 issue of *ePrescribing Perspectives* - X12N 278 and 275 and the HL7 PA attachment. Initial lessons learned have led to the idea of pushing more shared information into the 278, so that the 275 and attachment wouldn't be required for every transaction (that is, for simple requests, the 278 would be sufficient). Where the 275 and PA attachment are required, additional flexibility had to be built into the standards because some stakeholders don't have the lead time or financial support to reengineer existing processes and systems just for the pilot.

One aspect of ePA not yet standardized is presentation of criteria in the user interface, something that was known before the pilots. It would also be ideal if some information in the ePA request were prepopulated so that physicians wouldn't have to fill in this information. Some work is being done outside the pilots to leverage existing standards for these purposes.

Findings will be included in a report that goes to Congress in April 2007. Pilots are also free to publish findings in peer-reviewed journals, so it's possible that at least one ePA-related study could be published in 2007.

We believe that electronic prior authorization has a compelling value proposition to a number of stakeholders and is most effective within the context of ePrescribing. The pilots will go a long way toward quantifying and articulating that value proposition and learning lessons that can be applied. If you haven't thought about a strategy relative to ePA, it may be time to do so.

4. News and Announcements

Since our last issue, the following announcements have been made relative to ePrescribing:

- On September 27, **SureScripts** announced collaborations with **National Medical Health Care Systems**, **MemberHealth** and **RxAmerica**. All three have signed agreements that will allow physicians using a SureScripts certified solution to access formulary and eligibility information and medication history in real time during the patient's visit.
- On September 21, **Blue Cross Blue Shield of Delaware** announced that it is partnering with **DrFirst** to provide an electronic prescription management system to 150 physicians.
- In the September 19 issue of *AIS's Today in eHealth Business*, the publication reported that the **Department of Health and Human Services (HHS)** Office of the Inspector General (OIG) will closely watch hospital IT donations to physicians under new exceptions to the federal anti-kickback statute and Stark anti-kickback self-referral law. In parallel final rules, CMS and OIG allow entities to donate technology and training services to physicians for e-prescribing and electronic health records without triggering the anti-kickback statute or Stark ban.
- On September 19, **Zix Corporation** received notice of a potential Nasdaq delisting because, as of September 14, the company's common stock had fallen below \$1 per share for 30 consecutive business days. At the end of the September 27 trading day, its stock was at \$.53, according to Yahoo Finance. ZixCorp is a leading secure messaging company and ePrescribing solution provider.
- On September 13, it was announced that **United Physicians, P.C.**, an independent physicians association, will subsidize the cost

of **DrFirst** technology and services to an undisclosed number of its 1,700 physicians.

- On September 12, the *Tennessean* reported that **Blue Cross Blue Shield of Tennessee** and **Caremark** are working on increasing physician adoption of electronic prescribing. The target is 250 physicians, with some 60 currently enrolled.
- On September 11, **Zix Corporation** announced it had expanded its ePrescribing contract with **Aetna**, adding 750 physicians in New York City; Hartford, Connecticut; and Portland, Maine.
- On September 5, the **Massachusetts eRx Collaborative** announced it expects to recruit 800 new physicians into the program. The program has provided PDAs and ePrescribing software to 3,400 state physicians. The collaborative includes **Blue Cross Blue Shield of Massachusetts**, **Tufts Health Plan** and **Neighborhood Health**. The collaborative announced that participating physicians have electronically transmitted 5.6 million prescriptions since the initiative kicked off in January 2004; 2.2 million of those were sent during the first six months of this year. Additionally, in June 2006 alone, physicians changed 8,000 prescriptions as a result of drug-drug or drug-allergy alerts generated by their electronic prescribing software.
- On September 5, **Systems Xcellence, Inc. (SXC)**, a leading PBM, announced that board member Mark Thierer had been appointed president and chief operating officer of the company. Prior to accepting the newly created position, he had been president of Physicians Interactive, a division of **Allscripts**.
- On September 5, **Prematics** announced that Michael Cascone, Jr., current chairman emeritus and former chairman of the board and chief executive officer of **Blue Cross Blue Shield of Florida**, has joined its executive council.
- On September 1, *Health Data Management* reported that **Health Market Science, Inc.** has integrated the **SureScripts** provider identifier into its HMS Master File database. This will ease pharmacist identification and verification of new prescribers by automating input of physicians into pharmacy information systems.
- On August 25, **eRx Network** announced availability of its new eRx Commercial E1 service in conjunction with **RxHub**. The new service allows pharmacy users to immediately determine eligibility for patients whose pharmacy benefit coverage is unknown at the time of processing.
- On August 22, Primary Health, Inc., a Boise, Idaho insurance company, announced it has selected **DrFirst** to introduce its Rcopia ePrescribing solution to **IPN**, a physician group based on Idaho.
- On August 8, Detroit automakers announced they will continue to support the Southeast Michigan ePrescribing Initiative for one more year. The program was created in 2005 by **General Motors**, **Ford** and **DaimlerChrysler** in conjunction with PBM **Medco Health Solutions**.

ABOUT US

Point-of-Care Partners, LLC is a growing health information technology (HIT) consulting firm with active practices in electronic health records, ePrescribing, chronic care management and personal health records. We help organizations develop and execute winning strategies based on lessons learned, current trends and key drivers.

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